

REMARKS

Claims 72-79 are pending in the application. By this paper, claims 75-79 have been amended and the Specification has been amended at several places. Reconsideration and allowance of the application are respectfully requested.

Claim Objections

Claims 72 and 74-79 stand objected to for informal matters. The Office Action notes that claims 72 and 74 recite the abbreviation "CPC" yet claims 75-79 "cost per click," suggesting an inconsistency. Accordingly, claims 72 and 74 have been amended to make them consistent. Withdrawal of the objection to the claims is respectfully requested.

Objections to the Drawings

The drawings are objected to for several informal matters. At page 23, line 24 the Specification refers to "advertiser web pages 18" which is not shown on the drawing. The Specification herein is amended to instead recite –advertiser web pages 30—so as to be consistent with the drawing. The text at page 36 refers to "search result item display 710 of FIG. 7" but there is no similar feature in FIG. 7. The text at page 36 has been amended to delete this reference to item 710 and thus make the passage more consistent with the first sentence of the corrected paragraph and to conform the text to the drawing.

In FIG. 5, element 342 lacks a reference in the description. Accordingly, the text at page 27 has been amended to make reference to this element, referring to "advertising data 342" which is a part of "advertising information 330" referred to previously in the paragraph, to conform the text to the drawing. In FIG. 7, elements 760a-760h lack a reference in the description. Accordingly, the text at page 36 has been amended to add such a reference to conform the text to the drawing. In FIG. 10, element 1008 lacks a reference in the specification. Accordingly, the mistaken

reference to element "1108" has been changed to -1008—at page 47 to conform the text to the drawing.

In FIG. 16, elements 1608 and 1610 lack reference in the text. Accordingly, the text has been amended at page 54 to add these references to conform the text to the drawing. In FIG. 20, the Office Action alleges that element 2030 lacks a reference in the text. However, the text at page 60, lines 19-22 states "If the timestamp for listing y is not greater than the timestamp for listing x, the cost per click for listing x is set to the lower of the CPC of listing x or the CPC of listing Y plus the minimum CPC value to overtake a listing, \$0.01, **block 2030**" (*emphasis added*). Accordingly, no change has been made to the text or drawing.

In FIG. 23, element 2312 does not include a reference in the text. Accordingly, the text is amended herein at page 66 to add a reference to conform the text to the drawing. In FIG. 25, element 2512 does not include a reference in the text. Accordingly, the text is amended herein at page 69 to add such a reference and to conform the text to the drawing. In FIG. 29, element 2910 does not include a reference in the text. Accordingly, the text is amended herein at page 75 to add such a reference and to conform the text to the drawing.

In FIG. 35, it is alleged that element 3502 does not include a reference in the text. However, page 79, lines 16-17 state "A variable R is initialized to 1 **at block 3502**" (*emphasis added*). Accordingly, the text and drawing have not been changed. In FIG. 36, element 3610 does not include a reference in the text. Accordingly, the text is amended herein at page 81 to add a reference to conform the text to the drawing. In FIG. 39, element 3908 does not include a reference in the text. Accordingly, the text is amended herein at page 80 to add a reference to conform the text to the drawing. However, it alleged that element 3916 does not include a reference in the text. However, such a reference is included at page 80, line 30. Accordingly, the text and drawing have not been changed. Finally, the text at page 82, line 26 refers to "FIG. 40." This reference has been changed to -FIG. 31 --.

No new matter has been added by any of these amendments. The Office Action has required corrected drawing sheets and asserted that the corrections to the drawings

will not be held in abeyance. However, as detailed herein, all the corrections are properly made to the specification to conform the text of the application to the drawings. Accordingly, no corrections to the drawings and no replacement sheets are necessary. Withdrawal of the objections to the drawings in light of the several amendments made to the text herein is respectfully requested.

Objections to the Specification

The Specification stands objected to because of informal matters in the first paragraph of the application. By this paper, the first paragraph has been amended to correctly identify the two priority applications.

The Office Action asserts at page 6 of the Office Action that the compact disk appendix is missing from the file and requests that a new disk be submitted by applicants. This amendment is being filed by the PTO's EFS procedure. A replacement copy of the compact disk will be mailed in response to the request.

At page 6 of the Office Action, it is noted that at page 9, line 2 of the specification there is a missing word, "a". The paragraph has been corrected herein. Also at page 6, the Office Action identifies several inconsistencies between the Specification and the drawing. Applicants thank the Examiner for her careful review of the application. The Specification has been amended at several places herein to conform the text to the drawings. Withdrawal of the objections to the Specification is respectfully requested.

Claim rejections under 35 U.S.C. § 112

Claims 72-79 stand rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. The Office Action alleges that the claims contain subject matter not described in the Specification in such a way as to enable one skilled in the art to make or use the invention. Specifically, the Office Action points to “limitations such as a search engine providing search results including search listings according to rank; at least some of the search listings being..., ...; and the other limitations of claims 73-79.” The Examiner has asked the applicants to point out where support is found in the Specification and drawings for claims 72-79. The following teachings from the Specification are intended to be exemplary only.

Claim 72: a search engine is generally disclosed beginning at page 21, line 3. Providing search listings according to rank is disclosed, for example, at page 28, line 8 and is particularly exemplified in FIG. 7. A database including search listings associated with advertisers is illustrated as item 40 in FIG. 1, page 21, line 21 to page 22, line 15. A search term specified by the advertiser is shown for example at page 27, line 7; a desired rank specified by the advertiser is shown at, for example, page 39, line 10. An account management server means is shown as account management server 22. The account management server means adjusting CPC in response to advertiser inputs is illustrated by, for example, page 46, line 3 and page 44, line 24. Specified functions of the account management server means are described, for example, at page 8, line 18 – page 17, line 2 and FIGS. 10-31.

Claim 73: a timestamp is described for example at page 45, line 19.

Claim 74: a search engine web server locating search listings having a matching relationship with a search request is described at page 35, line 11. Ordering search results using CPC (“bid amount”) is described at page 36, line 20.

Claim 75: an account manager varying maximum cost per click or desired rank is shown at for example claim 8 of the application as filed, page 10, line 29, and page 44, line 31.

Claim 76: an account manager to vary maximum CPC for two or more possible ranks is described for example in claim 8 of the application as filed, page 15, line 9 and page 67 line 25.

Claim 77: software agents are disclosed for example at page 45, line 27 – page 46, line 19.

Claim 78: a software agent to increase CPC if rank can be improved with exceeding maximum CPC is shown for example at claim 10 of the application as filed and in the text describing FIG. 13.

Claim 79: a software agent to decrease current CPC only if no other search listing will have its respective current CPC increased to decrease the rank of the specified search listing is shown in claim 11 as filed and the text describing FIG. 16.

Claim rejections under 35 U.S.C. § 103

Claim 72 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over US patent number 6,078,866 to Buck, et al. (“Buck”) in view of US patent number 6,907,566 to McElfresh, et al. (“McElfresh”). Claims 73-76 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Buck in view of Official Notice. Claims 77-79 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Buck in view of Official Notice and further in view of “Mobile Agents.” Reconsideration of these rejections is respectfully requested.

With respect to claim 72, the Office Action asserts that Buck discloses a database searching apparatus with a search engine to provide search results including search listings according to rank and a database searchable by the search engine and including a plurality of search, at least some of the search listings being associated with advertiser. The Office Action acknowledges that Buck does not disclose “a desired rank specified by the advertiser for a search listing and a maximum cost per click (maximum CPC) and a cost per click (CPC) associated with the desired rank for the search term and the advertiser, account management server means in data communication with the database for automatically adjusting the CPC for a search listing in response to advertiser inputs; wherein, when the advertiser enters a new search listing or changes

the maximum CPC of a search listing the account management server means....” The Office Action fails to quote the remainder of the claim.

The Office Action asserts that McElfresh discloses “a desired rank specified by the advertiser for a search listing and a maximum cost per click (CPC) and a cost per click (CPC) associated with the desired rank for the search term and the advertiser, account management server means in data communication with the database for automatically adjusting the CPC for a search listing in response to advertiser inputs; wherein when the advertiser enters a new search listing or changes the maximum CPC of a search listing the account management server means....” The Office Action refers to McElfresh column 2, line 18 – column 3, line 19 as showing these features. The Office Action asserts that it would have been obvious to modify Buck with the teachings of McElfresh “because such a modification would allow Buck to perform a calculation for each ad along with its price per click to determine placement of the ads on a website for optimum click-through occurrences and generation of revenue, citing column 3, lines 46 – 64 (apparently of McElfresh).

The Office Action further asserts that Buck discloses “to adjust the CPC of the advertiser’s search listing to maintain the desired rank, move the search listing to the highest rank possible without exceeding the maximum CPC of the advertiser’s search listing,” citing Buck column 7, line 68 – column 8, line 38 and column 8, lines 42-67. The Office Action further asserts that buck discloses maintaining the CPC of the advertiser’s search listing less than or equal to the maximum CPC of the advertiser’s search listing, setting the CPC of the advertiser’s search listing no higher than necessary, citing column 9, lines 1-13, and avoiding setting the CPC of the advertiser’s search listing so that desired ranks and CPCs of other advertisers are maintained, citing column 9, lines 16-31. Reconsideration of this rejection is respectfully requested.

Buck fails to disclose the Account Management Server recited in claim 72

Claim 72 recites “a database ... including a plurality of search listings...the search listing including ... a **desired rank** specified by the advertiser for a search listing

and a **maximum cost per click (maximum CPC)** and a cost per click (CPC) associated with the desired rank..." At least these bolded items are missing from Buck. Buck operates on a subscription or a credit point basis, not a "cost per click basis," and therefore cannot include the bolded items.

With respect to the features of an account management server operative to **automatically adjust the CPC** of an advertiser's search listing to maintain a desired rank, the Office Action refers to Buck column 7, line 58 through column 8, line 67 as disclosing these features. Actually, the cited portions of Buck disclose an embodiment of Buck which is based on *subscriptions*. Buck actually relates to a search system in which an advertiser pays for a subscription for a search listing. The subscription places the subscriber's search listing on the database for an agreed-upon time period. The subscription fee, rather than a CPC, is used for sorting and displaying search results to a searcher (Abstract; column 7, line 67 – column 8, line 12. No clickthrough charge is assessed to an advertiser and no clickthrough or bid amount is used to order search listings, as in a CPC system. Thus, Buck does not disclose—and has no need for—a CPC.

Buck does disclose at column 8, lines 3-7 that "the subscriber may log on to the listings management program, and adjust the subscription fee upward if maintenance of a desired position against competitors or a higher position is desired." However, this is clearly different from the features of claim 72. First, Buck does not involve a cost per click or CPC, but rather a subscription fee. Second, the adjustment is not done automatically by an account management server means in response to advertiser inputs. Rather, the advertiser must make the change to the subscription fee manually. The invention of claim 72 provides a substantial enhancement by automating the process.

Moreover, Buck does not disclose "the search listing associated with an advertiser including ...a desired rank specified by the advertiser for a search listing ..." as recited by claim 72. As noted, in Buck's system, a subscriber may "adjust the subscription fee upward if maintenance of a desired position against competitors or a higher position is desired," col. 8, lines 3-7. This is merely adjustment of the

subscription fee. This does not correspond to a desired rank, which is data or information defining the rank in the ordered search listing desired by an advertiser. Buck does not show search listing including a desired rank as recited by claim 72. There is no way in Buck's system to specify a desired rank and no way of storing or associating any such desired rank with an advertiser's search listing.

Still further, Buck does not disclose "the search listing associated with an advertiser including ...a desired rank specified by the advertiser for a search listing and a maximum CPC associated with the desired rank" as recited by claim 72. In Buck, there is no disclosure or suggestion of a maximum CPC. In the presently disclosed system, a "bid" is the maximum CPC that the system may set on behalf of an advertiser for the listing for a given term. The CPC distinct from the maximum CPC and is what the advertiser is charged for a clickthrough. The CPC may be lower than the bid [or maximum CPC] for the listing for a search term" (*emphasis added*). The maximum CPC serves as a limit or control on the *automatic operation of the account management server* to set bid amounts or CPCs for an advertiser. The account management server is constrained to not exceed the maximum CPC when setting the CPC for the search listing.

As noted, Buck does not operate on a CPC basis, but rather a subscription basis. Accordingly, Buck does not -- cannot -- disclose a maximum CPC. Further, Buck does not disclose any maximum or limitation on any amount that may be set for a search listing. Buck does not operate automatically, so Buck has no need to constrain or limit any operation of an automatic server or other device.

Other portions of Buck fail to disclose the features alleged to be shown there by the Office Action. Buck column 8, line 42 -- column 9, line 16 discloses an alternative embodiment using credit points for a subscriber account. "Credit points may be purchased at stated dollar values...the subscriber must use credit point to increase a listing's rank." Further, column 8, lines 54-67 discloses another credit point system in which credit points are awarded to a subscriber each time a user clicks on a search listing. Credit points are then assessed against the subscriber's account on some

discounted basis. However, this is a wholly different system than is the subject of claim 72, which relies on cost per click. In Buck, credit points are used *rather than a cost per click*. The feature of a cost per click (CPC) is not disclosed by Buck.

The Office Action relies on Buck column 9, lines 16-31 as showing avoiding “setting the CPC of the advertiser’s search listing so that desired ranks and CPCs of other advertisers are not maintained.” However, this passage bears no relation to this claim feature. In fact, this passage of Buck actually relates to using Buck’s subscription database to provide search results to other databases which return search results based on relevancy. This passage includes absolutely no information about desired ranks or CPCs of other advertisers.”

McElfresh fails to disclose the Account Management Server recited in claim 72

McElfresh fails to provide the missing teaching. Further, McElfresh fails to disclose the teaching for which it is cited. The Office Action relies on McElfresh as showing a “desired rank specified by the advertiser for a search listing and a maximum cost per click (CPC) and a cost per click (CPC) associated with the desired rank for the search term and the advertiser, account management server means in data communication with the database for automatically adjusting the CPC for a search listing in response to advertiser inputs; wherein when the advertiser enters a new search listing or changes the maximum CPC of a search listing the account management server means....” The Office Action refers to McElfresh column 2, line 18 – column 3, line 19 as showing these features.

Actually, McElfresh actually is directed to a system and method for optimizing the placement of graphical objects (e.g., advertisements) on a webpage, so that an event such as a click-through is more likely to occur. Data regarding the past performance (e.g., click-through percentage, or CTP) of each graphical object is stored. When a user requests a webpage through the system, an ad server prioritizes the arrangement of graphical objects on the page in accordance with the performance data. This typically can be in descending order of click-through

percentage. In a preferred embodiment, the click-through percentage for an ad is based in part on an estimate of the likelihood that a particular user will click on the ad. The click-through percentage can also be weighted by another factor such as a cost-per-click (CPC) for each ad (so that the ads are ranked according to CTP x CPC), or the revenue-per-user.

The passage relied on by the Office Action actually relates to CPC-based systems as prior art not really addressing the problem to which McElfresh is directed ("However, this [CPC] pricing scheme shifts the impetus for deciding optimum ad placement back to the website or webpage provider...").

The remainder of the relied-on portion of McElfresh summarizes the disclosure of the reference, that it relates to placement of graphical objects on a page to optimize occurrence of an event. Data regarding past performance is stored. When a user requests a page, the server uses the performance data to derive a prioritized arrangement of the objects on the page. As noted, the performance data, or CTP, can be weighted by another factor such as a cost-per-click (CPC) for each ad. This is described elsewhere in McElfresh.

However, neither the relied-upon passage nor the remaining portion of McElfresh disclose a desired rank or a maximum CPC maintained as part of a search listing in a database. These features are simply not part of McElfresh's system or its operation. Moreover, McElfresh does not disclose "account management server means in data communication with the database for automatically adjusting the CPC for a search listing in response to advertiser inputs; wherein when the advertiser enters a new search listing or changes the maximum CPC of a search listing," as asserted by the Office Action. McElfresh fails to disclose automatically adjust the CPC for a search listing. McElfresh stores a price for an advertisement and can use it to position objects such as search listings (see, e.g., claim 4), but does not **automatically adjust the CPC for a search listing.**"

Accordingly, Buck and McElfresh, taken alone or in combination, fail to disclose all the features of independent claim 72. Accordingly, the 35 U.S.C. § 103 rejection of

this claim may not be maintained. Claims 73-79 are dependent from claim 72 and add further limitations thereto. These dependent claims are allowable for the same reasons. Withdrawal of the 35 U.S.C. § 103 rejection of claims 72-79 is respectfully requested.

With this response, the application is believed to be in condition for allowance. Should the examiner deem a telephone conference to be of assistance in advancing the application to allowance, the examiner is invited to call the undersigned attorney at the telephone number below.

Respectfully submitted,

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